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Commonwealth of Massachusetts
Department of Revenue

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Division of Local Services

FY92 CHERRY SHEET
PROGRAM MANUAL

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914/98

CHERRY SHEET MANUAL

Table of Contents — Page Number

Total and Net State Aid FY81 Thru FY92

I. INTRODUCTION I-1

II. RESOLUTION AID II-1

III. CHERRY SHEET RECEIPTS - MUNICIPAL AND REGIONAL
Cherry Sheet Receipts III-1
Form CS 1-ER III-2
Form CS 2-ER III-3

A RESOLUTION AID:

A-1 School Aid III-4
A-2 Additional Assistance III-6
A-2 Regional School District Aid III-7
A-3 County Jail Grants III-9

B EDUCATION:
OFFSET ITEMS - RESERVE FOR DIRECT EXPENDITURE:

B-1 Racial Equality III-10
B-2 Lunch Programs III-12
B-3 Equal Education Opportunity III-14
B-4 School Improvement Council III-16
B-5 Horace Mann Teachers III-17

REIMBURSEMENTS:

B-6 School Transportation Programs III-18
B-7 School Construction III-20
B-8 Tuition of State Wards III-22
B-9 Special Needs Recreation III-23
B-10 Retired Teachers' Pensions III-24
B-10 Transportation of Pupils III-25
B-11 Small Town School Aid III-26

C GENERAL GOVERNMENT:
OFFSET ITEMS - RESERVE FOR DIRECT EXPENDITURE:
C-1 Public Libraries III-27

REIMBURSEMENTS AND DISTRIBUTIONS:

C-2 Regional Public Libraries III-29
C-3 Police Career Incentive III-30
C-4 Urban Renewal Projects III-31
C-5 Veterans' Benefits III-33
C-6 Highway Fund III-34
C-7 Lottery, Beano & Charity Games III-36
C-8 Local Share of Racing Taxes III-38
C-9 Exemptions: Veterans, Blind & Surviving Spouses III-39
C-10 Exemptions: Elderly III-41

Table of Contents — Page Number

IV. CHERRY SHEET ASSESSMENTS - MUNICIPAL AND REGIONAL
Cherry Sheet Assessments IV-1
Form CS 1-EC IV-3

A County Assessment, County Tax IV-4

B STATE ASSESSMENT AND CHARGES:

B-1 Supervision of Retirement Systems IV-6
B-2 Motor Vehicle Excises IV-7
B-3 Retired Employees Health Insurance IV-8
B-4 Retired Teachers Health Insurance IV-9
B-5 Mosquito Control Projects IV-10
B-6 Air Pollution Districts IV-11
B-7 Metropolitan Area Planning Council IV-12
B-8 Old Colony Planning Council IV-13
B-9 Parking Surcharge IV-14

C TRANSPORTATION AUTHORITIES:

C-1 Massachusetts Bay Transportation Authority IV-15
C-2 Boston Metropolitan Trans. District IV-16
C-3 Regional Transit Authorities IV-17

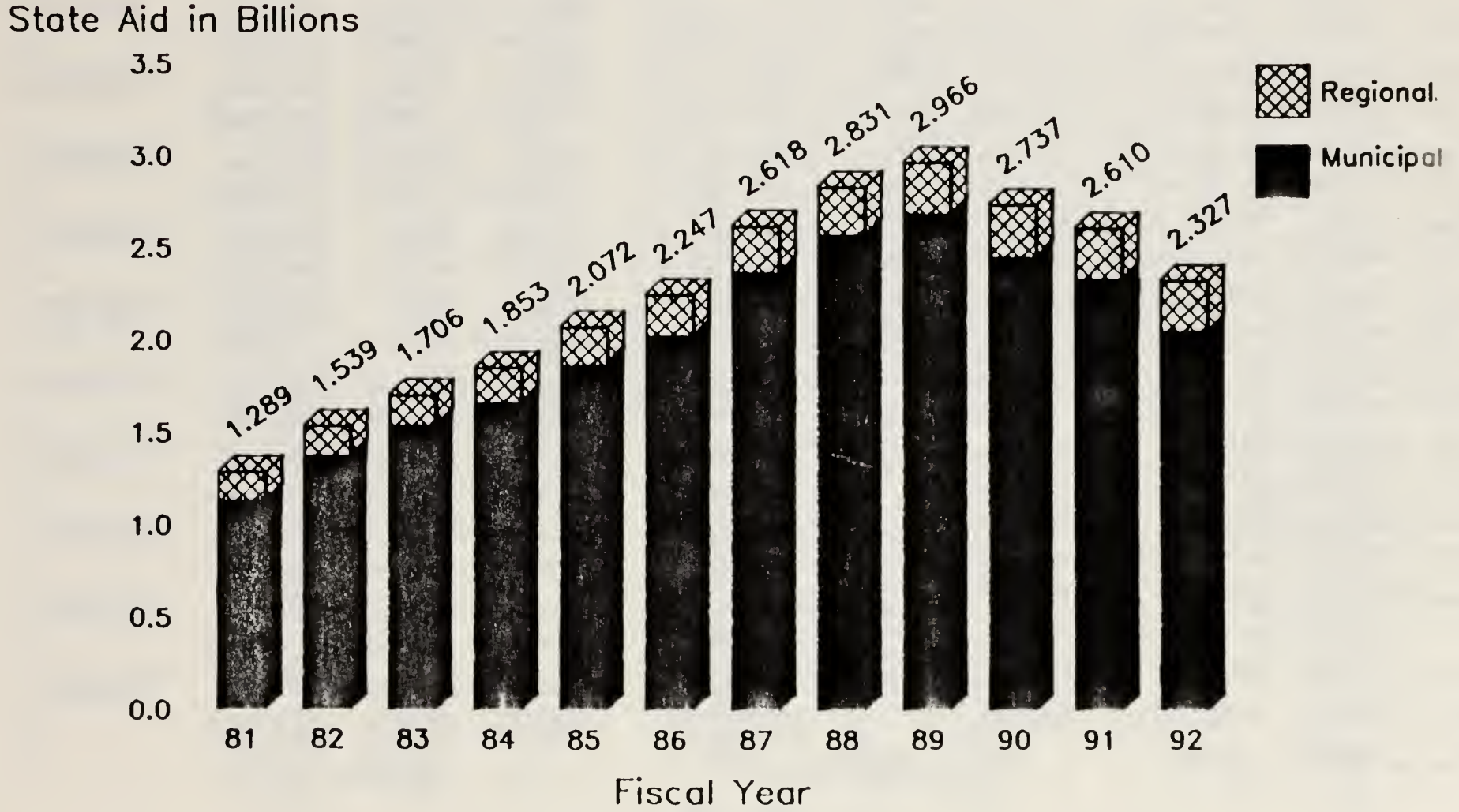
D ANNUAL CHARGES AGAINST RECEIPTS:

D-1 Multi-Year Repayment Programs IV-18
D-2 Special Education Assessments IV-19
D-3 Energy Conservation Programs Repayment IV-20
D-4 Small Town Road Assistance Program (STRAP) Repayments IV-21
D-5 Solid Waste Clean-up IV-22

CHERRY SHEET STATE AID

FY81 to FY92

Municipalities and Regional School Districts



Note that $210 million in late FY90 Chapter 70 is not included in these figures.

CHERRY SHEET ESTIMATED STATE AID FY81-FY92
STATE TOTALS

FY	CITIES AND TOWNS RECEIPTS	CITIES AND TOWNS ASSESSMENTS	CITIES AND TOWNS NET	REGIONAL SCHOOL DISTRICTS RECEIPTS	REGIONAL SCHOOL DISTRICTS ASSESSMENTS**	REGIONAL SCHOOL DISTRICTS NET	COMBINED LOCAL PLUS REGIONAL RECEIPTS	COMBINED LOCAL PLUS REGIONAL ASSESSMENTS	COMBINED LOCAL PLUS REGIONAL NET
81	1,138,347,383	252,334,377	886,013,006	150,513,609	0	150,513,609	1,288,860,992	252,334,377	1,036,526,615
82	1,381,461,844	274,881,840	1,106,580,004	158,440,436	0	158,440,436	1,539,902,280	274,881,840	1,265,020,440
DOLLAR CHANGE	243,114,461	22,547,463	220,566,998	7,926,827	0	7,926,827	251,041,288	22,547,463	228,493,825
PERCENT CHANGE	21.4	8.9	24.9	5.3		5.3	19.5	8.9	22.0
83	1,545,422,148	262,110,327	1,283,311,821	160,663,457	0	160,663,457	1,706,085,605	262,110,327	1,443,975,278
DOLLAR CHANGE	163,960,304	(12,771,513)	176,731,817	2,223,021	0	2,223,021	166,183,325	(12,771,513)	178,954,838
PERCENT CHANGE	11.9	-4.6	16.0	1.4		1.4	10.8	-4.6	14.1
84	1,666,405,318	255,709,822	1,410,695,496	187,054,755	0	187,054,755	1,853,460,073	255,709,822	1,597,750,251
DOLLAR CHANGE	120,983,170	(6,400,505)	127,383,675	26,391,298	0	26,391,298	147,374,468	(6,400,505)	153,774,973
PERCENT CHANGE	7.8	-2.4	9.9	16.4		16.4	8.6	-2.4	10.6
85	1,868,130,881	265,074,125	1,603,056,756	204,270,877	0	204,270,877	2,072,401,758	265,074,125	1,807,327,633
DOLLAR CHANGE	201,725,563	9,364,303	192,361,260	17,216,122	0	17,216,122	218,941,685	9,364,303	209,577,382
PERCENT CHANGE	12.1	3.7	13.6	9.2		9.2	11.8	3.7	13.1
86	2,029,951,823	204,599,600	1,825,352,223	216,604,131	0	216,604,131	2,246,555,954	204,599,600	2,041,956,354
DOLLAR CHANGE	161,820,942	(60,474,525)	222,295,467	12,333,254	0	12,333,254	174,154,196	(60,474,525)	234,628,721
PERCENT CHANGE	8.7	-22.8	13.9	6.0		6.0	8.4	-22.8	13.0
87	2,373,749,418	204,813,364	2,168,936,054	243,769,930	2,721	243,767,209	2,617,519,348	204,816,085	2,412,703,263
DOLLAR CHANGE	343,797,595	213,764	343,583,831	27,165,799	2,721	27,163,078	370,963,394	216,485	370,746,909
PERCENT CHANGE	16.9	0.1	18.8	12.5	100.0	12.5	16.5	0.1	18.2
88	2,576,697,434	209,269,865	2,367,427,569	254,204,126	34,817	254,169,309	2,830,901,560	209,304,682	2,621,596,878
						0			
DOLLAR CHANGE	202,948,016	4,456,501	198,491,515	10,434,196	32,096	10,402,100	213,382,212	4,488,597	208,893,615
PERCENT CHANGE	8.5	2.2	9.2	4.3	1179.6	4.3	8.2	2.2	8.7
89	2,692,968,637	158,019,163	2,534,949,474	273,374,494	54,922	273,319,572	2,966,343,131	158,074,085	2,808,269,046
DOLLAR CHANGE	116,271,203	(51,250,702)	167,521,905	19,170,368	20,105	19,150,263	135,441,571	(51,230,597)	186,672,168
PERCENT CHANGE	4.5	-24.5	7.1	7.5	57.7	7.5	4.8	-24.5	7.1
90 *	2,457,326,863	165,905,141	2,291,421,722	280,199,690	123,606	280,076,084	2,737,526,553	166,028,747	2,571,497,806
DOLLAR CHANGE	(235,641,774)	7,885,978	(243,527,752)	6,825,196	68,684	6,756,512	(228,816,578)	7,954,662	(236,771,240)
PERCENT CHANGE	-8.8	5.0	-9.6	2.5	125.1	2.5	-7.7	5.0	-8.4
91	2,341,313,232	177,680,471	2,163,632,761	268,625,517	142,590	268,482,927	2,609,938,749	177,823,061	2,432,115,688
DOLLAR CHANGE	(116,013,631)	11,775,330	(127,788,961)	(11,574,173)	18,984	(11,593,157)	(127,587,804)	11,794,314	(139,382,118)
PERCENT CHANGE	-4.7	7.1	-5.6	-4.1	15.4	-4.1	-4.7	7.1	-5.4
92***	2,057,096,860	183,125,842	1,873,971,018	270,232,888	140,583	270,092,305	2,327,329,748	183,266,425	2,144,063,323
DOLLAR CHANGE	(284,216,372)	5,445,371	(289,661,743)	1,607,371	(2,007)	1,609,378	(282,609,001)	5,443,364	(288,052,365)
PERCENT CHANGE	-12.1	3.1	-13.4	0.6	-1.4	0.6	-10.8	3.1	-11.8

* Does not include $210 million in Chapter 70 that was originally withheld from cherry sheets but was distributed in the summer of 1991 due to SJC decision.
** Regional district assessments are for the Energy Conservation program.
*** In FY92, Urban Redevelopment Excise was reclassified from a cherry sheet receipt to a a local receipt. This program totalled $42,832,945 in FY91.

I. INTRODUCTION

The Division of Local Services has developed this FY92 Cherry Sheet Program Manual to guide local officials, as well as individuals and organizations interested in municipal finance, through the FY92 Cherry Sheet. We hope that this guide will assist you in understanding how the programs on the Cherry Sheet work.

PURPOSE OF THE CHERRY SHEET

Named for the cherry colored paper on which it was originally printed, the Cherry Sheet is the official notification by the Commissioner of Revenue to municipalities and regional school districts of estimated receipts to be paid and charges to be assessed over the next fiscal year.

The purpose of the Cherry Sheet is to ensure that local budgets reflect realistic estimates of the amount of revenue a municipality and regional school district will actually receive from the state during the upcoming year, as well as the amounts that will be assessed upon local governments to pay for a variety of state or sub-state programs in which they participate. The Tax Rate Recapitulation Sheet, filed by local assessors with the Division of Local Services to certify property tax rates, must contain the receipt and charge figures contained on the Cherry Sheet.

THE FY92 CHERRY SHEET PROGRAM MANUAL

This manual presents information on each of the programs which comprise the FY92 Municipal and Regional School Cherry Sheets. The following features of the receipt and assessment programs that appear on the Cherry Sheet are described:

- o Title
- o Item Number
- o Law(s) Creating/Modifying Program
- o Budget Account Number
- o Agency
- o Amount
- o Purpose
- o Distribution/Reimbursement and Assessment/Charge Formula
- o Administration
- o Payment Schedule

This manual is organized into four sections. Section I provides an introduction to the manual. Section II examines both Resolution Aid from FY90 through FY92, as well as the Needs-Based Formula. Section III describes Municipal and Regional Cherry Sheet Receipts. Section IV describes Municipal and Regional Cherry Sheet Assessments.

The actual Cherry Sheet is made up of three separate notifications.

Form CS 1-ER is the official notification of the estimated receipts to be paid to the municipality by the state during the next fiscal year. A copy is shown at the beginning of Section III.

Form CS 2-ER is the official notification of the estimated receipts and adjustments for Regional School Districts. This form is sent to the superintendent of each regional school. Copies are sent to each member municipality. A copy is shown at the beginning of Section III.

Form CS 1-EC is the official notification of the estimated assessments and charges for the next fiscal year that the municipality must pay for services performed by other levels of government. A copy is shown at the beginning of Section IV.

FY92 CHERRY SHEET CHANGES

The Cherry Sheet changes from year to year as new programs are added, dropped, or combined. The FY92 Cherry Sheet is no exception, as the following changes have been made:

- Certain programs have not been funded in the last two years and have therefore been eliminated from the FY92 Cherry Sheet. These are: Water Pollution Abatement Grants, Additional Aid to Public Libraries, and Additional Highway Assistance Programs.

- Beginning in FY92, estimates of payments from the Urban Redevelopment Corporation Excise will no longer appear on the Cherry Sheet. Starting in FY92, municipalities should show these estimated payments as a local receipt on the Tax Rate Recapitulation Sheet. Local officials can obtain a copy of a report to assist in estimating FY92 Urban Redevelopment Excise Receipts by contacting Brenda McConville, Revenue Accounting Bureau, Department of Revenue, Room 300, 100 Cambridge Street, Boston, MA 02204, (617) 727-4456.

Several programs that were funded in FY91 have not been funded in FY92. These are listed on the Cherry Sheet as:

B-4	School Improvement Council
B-5	Horace Mann Teachers
B-8	Tuition of State Wards
B-9	Special Needs Recreation
B-11	Small Town School Aid

II. RESOLUTION AID

For most municipalities, the majority of their state aid falls under the category of "Resolution Aid." Resolution Aid is the total of the Chapter 70 School Aid and Additional Assistance distributions. The allocation of FY92 Resolution Aid results, to a certain degree, from decisions made from the mid 1980's through FY91. Consequently, the discussion that follows focuses on two important areas: the history of recent cuts in Resolution Aid and a description of the Needs-Based Formula that was used in the mid to late 1980's to allocate increasing levels of Resolution Aid.

The term "Resolution Aid" refers to the fact that historically this aid was allocated to each municipality and regional school district through a legislative resolution, usually approved in February. This annual resolution was a commitment to include the stated amounts in the final state budget, normally approved in late June. This early resolution enabled the Department of Revenue to issue Cherry Sheets by March 1 for the next fiscal year. Since FY90, there has been no legislative resolution due to fiscal problems at the state level. Nonetheless, Chapter 70 and Additional Assistance continue to be referred to as "Resolution Aid".

Regional school districts receive Chapter 70 School Aid and Chapter 71 Regional School District Aid. Generally considered as part of the annual state budget local aid resolution, these two distributions are calculated separately from municipal Resolution Aid, although they are listed as Resolution Aid on form CS 2-ER, the Regional School District Cherry Sheet.

The table below shows Municipal Resolution Aid (the sum of Chapter 70 School Aid and Additional Assistance) for FY89 through FY92.

Fiscal Year	Statewide Total
FY89	$1,873,870,634
FY90	$1,660,477,460*
FY91	$1,594,168,546
FY92	$1,265,614,408

*Does not include $210 million in Chapter 70 that was originally withheld from Cherry Sheets but was distributed in the summer of 1991 due to Supreme Judicial Court decision.

FY92 RESOLUTION AID

For FY92, Resolution Aid to municipalities is comprised of $789.3 million in Chapter 70 School Aid and $476.3 million in Additional Assistance, lines A-1 and A-2 on form CS 1-ER.

The combined total of $1.266 billion is $328.6 million, or 20.6% less than municipalities received in FY91.

For FY92, the reduction in Resolution Aid was arrived at through several steps.

First, a total cut of $345 million was calculated for each municipality: $172.5 million on a per capita basis of $26.96 and $172.5 million from the remaining Chapter 70 and Additional Assistance through a 12.13% across-the-board cut.

The next step was to compare the resulting allocations of Resolution Aid to municipalities to the combined impact of the Governor's major local aid proposals as contained in House 1 ($250 million cut in Resolution Aid, $75 million in additional Lottery distributions, and a new $24.3 million assessment for retired teachers' pensions).

The amount by which a municipality's share of the $345 million reduction was more than the net cut contained in the Governor's proposal was then compared to a legislative conference committee proposal that included budgetary savings from the deferral of up to one month of summer teachers' pay into FY93, as authorized in outside sections of the FY92 state budget.

Finally, for the small number of municipalities for which the estimated benefits of deferring summer teachers' pay was not sufficient to close the gap between the allocation of the Legislature's $345 million Resolution Aid cut and the Governor's proposed allocation, an additional $16.4 million was added to Resolution Aid. This resulted in a net cut from the FY91 Resolution Aid level of $328.6 million.

Each municipality's share of the cut in Resolution Aid cut was deducted from its prior year allocation of Additional Assistance. In those cases where the cut could not be absorbed by that account alone, the remaining amount of the cut was deducted from the municipality's prior year allocation of Chapter 70.

FY90 AND FY91 RESOLUTION AID

In FY91, Resolution Aid was reduced by 4%, or $71 million from its FY90 level. The reduction was allocated among municipalities on a fixed percentage basis.

In FY90, the administration reduced Resolution Aid by withholding $210 million from Chapter 70. This reduction was implemented on a per capita basis. In response to this action, several municipalities sued the Commonwealth. In Brookline vs. the Commonwealth of Massachusetts, the courts decided that withholding of the funds was not within the Governor's authority and ordered the $210 million to be released. Municipalities benefited from distribution of the $210 million at the beginning of FY91.

THE NEEDS-BASED FORMULA

From FY85 through FY89, allocation of "new" Resolution Aid, the amount in excess of the the prior year's appropriation, was made using the Needs-Based Formula. Since FY90, because there has been no "new" aid -- only decreases -- the formula has not been run.

The formula was first used in FY85 as the means of allocating new aid among municipalities. It was devised to allocate the greatest amounts of Resolution Aid to those municipalities that demonstrated the greatest need.

The formula defined need as the difference between the level of spending necessary to provide basic services and the local revenue raising capacity available to support those services. The formula did not calculate actual costs, but instead estimated costs facing each municipality relative to other municipalities in the state by:

- o determining the statewide average cost per capita of providing basic local services
- o determining how uncontrollable factors caused each municipality's cost of providing basic services to differ from the statewide average.

ESTIMATION OF UNCONTROLLABLE COST FACTORS

Uncontrollable factors were defined as those that affected the level of local spending required, but were beyond the control of local government. The relative importance assigned to each of the factors in the formula was calculated by running a statistical analysis that assigned weights to these factors.

The eight factors that were identified in the formula as contributing to local spending were:

- o Weighted Full Time Equivalent Students
  Weighted students per capita, included regional students apportioned back to municipalities on the basis of enrollment shares. (Special needs, bilingual, vocational, and AFDC students are assigned a greater weight.)
- o Population Density
  Population per square mile. Land area excluded MDC and state-owned land.
- o Manufacturing Employment
  Average monthly employment in manufacturing per capita. Industries included manufacturing, construction, mining, transportation, and utilities.
- o Non-Manufacturing Employment
  Average monthly employment in non-manufacturing industry. Industries included wholesale and retail trade, finance, and services.
- o Road Mileage
  Road mileage per registered vehicle.
- o Age of Housing Stock
  Percent of housing stock over 40 years old.
- o Persons Below Poverty Line
  Percent of persons below poverty line.

- o Service Level Group
  Assigned a municipality a code depending on whether it was a full service or minimum service municipality, based on a survey done by the Local Aid Commission in 1986.

ESTIMATION OF REVENUE

The revenue side of the formula compared municipalities on the basis of their relative revenue raising capacity rather than actual revenue collected, with the exception of motor vehicle excise. This was done primarily to avoid treating those municipalities that were levying to their Proposition 2 1/2 levy limit differently from those that were not.

The five revenue variables used in the formula were:

- o Estimated Levy Limit
  Estimated levy limit, excluding value of overrides and exclusions and including estimated growth for years in which municipalities did not report new growth. An Income Per Capita Index was used to adjust the levy limit. It was based on income per capita. If a municipality was at or above the statewide average per capita, its index value was one. If a municipality was below the statewide average per capita, its index value was less than one.

- o Local Reserves
  A three year historical average of the percentage of each municipality's spending from free cash was calculated to yield a utilization rate. Net free cash was certified free cash multiplied by one minus the utilization rate. Local reserves equalled the total of net free cash and overlay surplus, above 5% of spending or $100,000, whichever was greater.

- o State Aid
  Bottom line Cherry Sheet Aid included regional school aid apportioned back to municipalities on the basis of student enrollment.

- o Hotel/Motel Tax Capacity
  Estimated for each municipality at the maximum 4% rate.

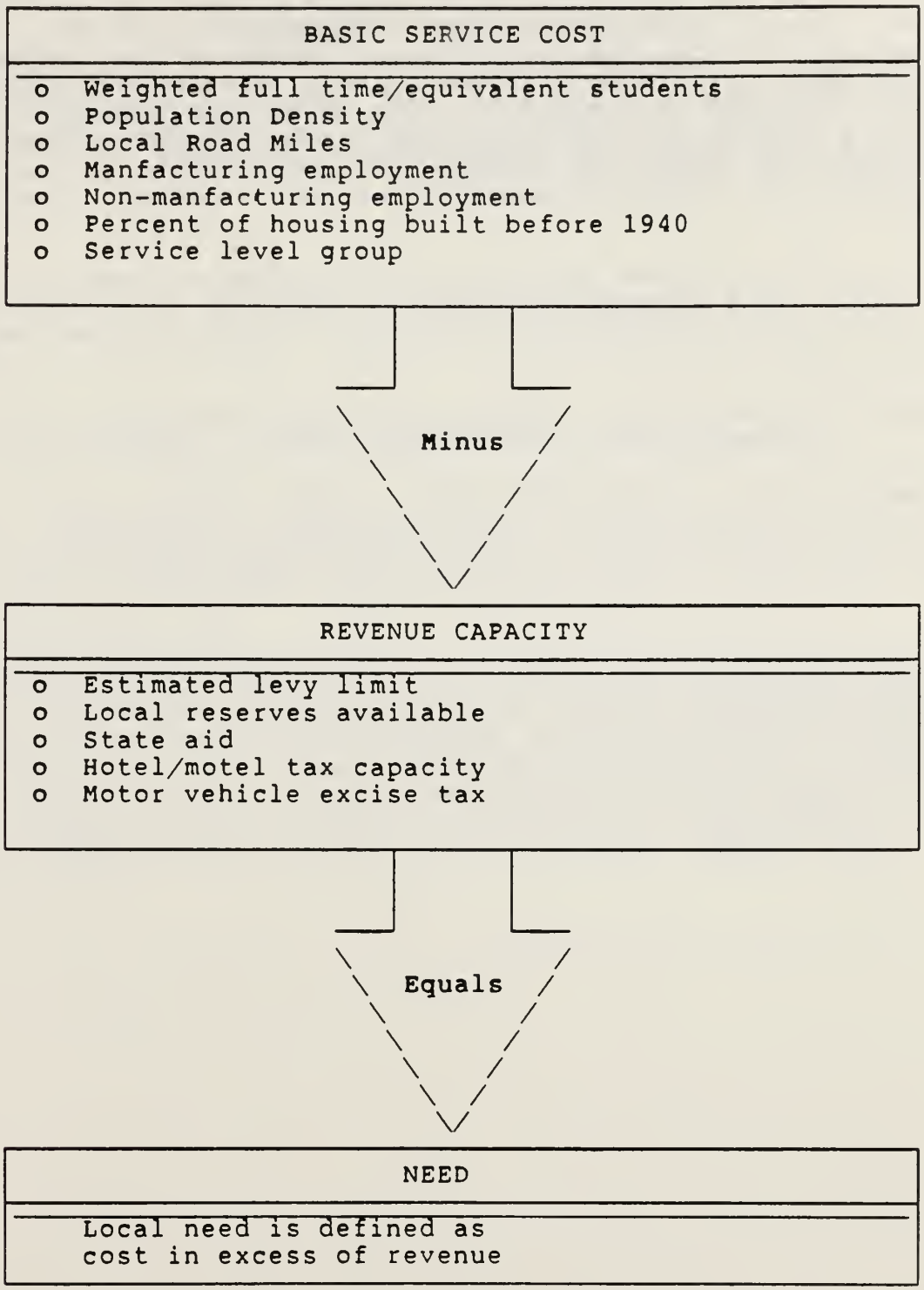
- o Motor Vehicle Excise Tax
  Actual collections.

CALCULATING AID

Each municipality's need for aid was determined by subtracting revenues from costs. For municipalities with a positive gap between costs and revenues, aid was calculated in proportion to the relative size of the cost-revenue gap. For municipalities with a negative gap, which indicates that own-source revenue and state aid are sufficient to fully cover the cost of providing an average level of services, the gap was adjusted to zero.

Because not all municipalities were eligible for aid increases under the formula, a minimum aid provision was included as part of the annual distribution of aid increases. This ensured that no municipality's new Resolution Aid would increase or decrease by more than 50% over the prior year's amount.

The following diagram depicts how the Needs-Based Formula worked:



ALLOCATING RESOLUTION AID BETWEEN CHAPTER 70 AND ADDITIONAL ASSISTANCE

In each year that the Needs-Based Formula was run, a municipality's Resolution Aid was the sum of its prior year's allocation of Resolution Aid plus new formula aid or minimum aid. This amount was then allocated between Chapter 70 School Aid and Additional Assistance by running the Chapter 70 formula. The amount allocated to a municipality through this formula was designated as Chapter 70. The difference between a municipality's Chapter 70 formula allocation and its Resolution Aid allocation was then classified as Additional Assistance.

III. CHERRY SHEET RECEIPTS

Chapter 58, Section 25A of the Massachusetts General Laws provides that the Commissioner of Revenue estimate in advance the state's share of local reimbursement and assistance programs as authorized by law and appropriated by the legislature. Local assessors are required to use these figures in determining the local property tax rate.

The Cherry Sheet consists of form CS 1-ER, which notifies municipalities of estimated receipts and form CS 2-ER, which notifies regional school districts of estimated receipts (and charges).

State aid to municipalities and regional school districts consists of two major types -- distributions and reimbursements.

Distributions provide funds to each municipality and regional school district according to various formulas. Reimbursements provide funds to reimburse municipalities and regional school districts for all or part of the costs incurred during a prior period for certain programs or services.

On form CS 1-ER and form CS 2-ER it should be noted that the three funded programs in the "Education, Offset Items" section must be used for these specific municipal and regional school district programs. There is also one program in the "General Government, Offset Item" section. These funds may be spent by the responsible local officials without appropriation in the local budget. All other receipt items are considered revenues of the municipality's General Fund and may be spent for any purpose, subject to appropriation.

C.S. 1-ER | **Commonwealth of Massachusetts Department of Revenue** | FY92

NOTICE TO ASSESSORS OF ESTIMATED RECEIPTS
TO BE USED IN DETERMINING THE TAX LEVY

General Laws, Chap. 58, Sect. 25A, and Chap. 59, Sect. 23 . . . . . ALL MUNICIPALITIES (Municipality) . . . . . .

A. RESOLUTION AID:		
1. School Aid Ch. 70	$	789,299,126
2. Additional Assistance		476,315,282
3. County Jail Grants		21,634,264
Sub-Total, Resolution Aid	$	1,287,248,672
B. EDUCATION:		
OFFSET ITEMS - RESERVE FOR DIRECT EXPENDITURE:		
1. Racial Equality Chs. 76, s. 12A; 71, ss. 37, I,J	$	23,607,295
2. Lunch Programs Chs. 871; 15, s. 1L; 753		5,550,856
3. Equal Education Opportunity Ch. 70A		94,144,199
4. School Improvement Council Ch. 10, s. 51		
5. Horace Mann Teachers Ch. 15, s. 1G		
Sub-Total, Offset Items	$	123,302,350
REIMBURSEMENTS:		
6. School Transportation Programs Chs. 71, 71A, 71B and 74	$	56,243,824
7. School Construction 1948, Ch. 645; 1976, Ch. 511		123,976,156
8. Tuition-State Wards Ch. 76, ss. 7 & 9; Ch. 74, s. 7A		
9. Special Needs Recreation Ch. 71B, s. 11		
10. Retired Teachers' Pensions Ch. 32, s. 20 (2) (c)		27,100,000
11. Small Town School Aid Ch. 150; 1990		
Sub-Total, Reimbursement Items	$	207,319,980
Sub-Total, All Education Items	$	330,622,330
C. GENERAL GOVERNMENT:		
OFFSET ITEMS - RESERVE FOR DIRECT EXPENDITURE:		
1. Public Libraries Ch. 78, s. 19A	$	5,660,779
Sub-Total, Offset Items	$	5,660,779
REIMBURSEMENTS AND DISTRIBUTIONS:		
2. Regional Public Libraries Ch. 78, s. 19C	$	9,548,149
3. Police Career Incentive Ch. 41, s. 108L		6,700,000
4. Urban Renewal Projects Ch. 121		1,244,520
5. Veterans' Benefits Ch. 115, s. 6		10,821,903
6. Highway Fund Ch. 81, s. 31; 1980, Ch. 577, s. 8		78,800,000
7. Lottery, Beano & Charity Games Ch. 29, s. 2D		306,000,000
8. Local Share of Racing Taxes 1981, Ch. 558		1,055,745
9. Exemptions: Vets, Blind & Surv. Spouse Ch. 59		4,394,762
10. Exemptions: Elderly Ch. 73, Cl. 41, 41B or 41C		15,000,000
Sub-Total, Non-Offset Items	$	433,565,079
Sub-Total, All General Government	$	439,225,858
D. TOTAL ESTIMATED RECEIPTS, FISCAL 1992	$	2,057,096,860

C.S. 2-ER

Commonwealth of Massachusetts Department of Revenue FY92
NOTICE TO REGIONAL SCHOOL DISTRICTS
OF ESTIMATED RECEIPTS

General Laws, Chap. 58, Sect. 25A and Chap. 59, Sect. 23

Name of School ALL REGIONS

Member Cities and Towns ALL

A. RESOLUTION AID:

1. School Aid Ch. 70	$	108,832,661
2. Regional School District Aid Ch. 71, s. 16D		98,367,338
Sub-Total, Resolution Aid	$	207,199,999

B. EDUCATION:

OFFSET ITEMS - RESERVE FOR DIRECT EXPENDITURE:

1. Racial Equality Ch. 76, s. 12A	$	805,151
2. Lunch Programs Chs. 871; 15, s. 1L; 753		717,545
3. Equal Education Opportunity, Ch. 70A		11,318,027
4. School Improvement Council, Ch. 10, s. 51		
5. Horace Mann Teachers Ch. 15, s. 1G		
Sub-Total, Offset Items	$	12,840,723

REIMBURSEMENTS:

6. School Transportation Programs Chs. 71, 71A, 71B and 74	$	1,445,586
7. School Construction 1948, Ch. 645; 1976, Ch. 511		21,896,386
8. Tuition-State Wards Ch. 76, ss. 7 & 9; Ch. 74, s. 7A		
9. Special Needs Recreation Ch. 71B, s. 11		
10. Transportation of Pupils Ch. 71, s. 16c		26,850,194
Sub-Total, Reimbursement Items	$	50,192,166
Sub-Total, All Education Items	$	63,032,889
TOTAL ESTIMATED RECEIPTS, FISCAL 1992	$	270,232,888

ESTIMATED CHARGES:

11A. Energy Conservation Programs Repayment 1987, Ch. 584	$	-140,583

C. TOTAL ESTIMATED RECEIPTS, NET OF ESTIMATED CHARGES, FISCAL 1992 $ 270,092,305

TITLE: SCHOOL AID

MUNICIPAL AND REGIONAL RECEIPT ITEM NUMBER: A-1

LAW CREATING/MODIFYING PROGRAM: Ch. 70

BUDGET ACCOUNT NUMBER: 7061-0008

DEPARTMENT: Department of Education

AMOUNT:

Total:	$898,131,787
All Municipal:	$789,299,126
All Regional:	$108,832,661

PURPOSE: Chapter 70 School Aid is one of the two programs that comprise the "Resolution Aid" determined annually by the Legislature. School Aid provides flexible, unrestricted aid to municipalities on an "equalizing" basis.

DISTRIBUTION FORMULA: From FY84 through FY89, the Chapter 70 formula was used to divide Resolution Aid between the School Aid (A-1) and Additional Assistance (A-2) lines on the Cherry Sheet. The figure for each municipality resulting from the Chapter 70 formula (see below) was funded first. Then the balance was reported on the Additional Assistance line.

The FY90 reduction in Resolution Aid was taken entirely from Chapter 70. For FY91 and FY92, reductions in Resolution Aid were taken first from Additional Assistance and then from Chapter 70.

The Chapter 70 formula was enacted as part of the FY79 state budget. The formula is as follows:

$$\text{Municipality's Aid} = \left[1 - \left[P_s * \frac{V_l}{V_s}\right]\right] * W_l * E_s$$

P_s = Local support percentage

V_l = Equalized Valuation per capita

V_s = Statewide Equalized Valuation per capita

W_l = Sum of weighted pupils

E_s = Statewide per pupil expenditure

- the local support percentage is the percentage of local aid expenditures supported by any municipality that has the same Equalized Valuation per capita as the statewide average

- Pupil weights are designed to reimburse municipalities for the added cost of special services that must be provided to certain types of students. To determine a municipality's sum of weighted pupils, each type of student in the system is multiplied by his/her corresponding cost weight.

  Pupil weights are as follows:

regular day program	1.0
transitional bilingual program	1.4
special needs program	4.0
vocational education program (day students only)	2.0
low income	.2

- the statewide average expenditure is the average per pupil cost of the total expenditures for all pupils enrolled in regular day programs except for expenditures for transportation, regional school district assessments, food or food services, and capital outlays and after deducting receipts for tuition, federal government funds, proceeds from any invested funds or grants and any other applicable gifts and receipts from other sources.

ADMINISTRATION: The allocation between the two Resolution Aid accounts (Chapter 70 School Aid and Additional Assistance) is contained in Section 3 of the annual state budget. The Chapter 70 formula is calculated by the Department of Education. The Division of Local Services certifies to the Treasurer the amounts to be distributed to municipalities.

PAYMENT SCHEDULE: Quarterly.

TITLE: ADDITIONAL ASSISTANCE

MUNICIPAL RECEIPT ITEM NUMBER: A-2

LAW(S) CREATING/MODIFYING PROGRAM: Annual state budgets

BUDGET ACCOUNT NUMBER: 0611-5500

DEPARTMENT: Executive Office of Administration and Finance

AMOUNT: Total: $476,315,282

PURPOSE: Additional Assistance provides flexible unrestricted aid to municipalities. Additional Assistance is one of the two programs that comprise Resolution Aid, determined annually by the Legislature. (See Resolution Aid).

DISTRIBUTION FORMULA: There has not been a separate formula for Additional Assistance since FY83. In the years when the Needs-Based Formula was used to allocate new Resolution Aid, Additional Assistance was the balance of a municipality's Resolution Aid after the allocation of Chapter 70 School Aid had been calculated.

For FY92, as much of the reduction in Resolution Aid was taken from Additional Assistance as possible. If the reduction could not be totally absorbed by Additional Assistance, the difference was then taken from Chapter 70.

ADMINISTRATION: The allocation between the two Resolution Aid accounts (Chapter 70 School Aid and Additional Assistance) is contained in Section 3 of the annual state budget.

The Division of Local Services certifies to the Treasurer the amounts to be distributed to municipalities.

PAYMENT SCHEDULE: Quarterly.

TITLE: REGIONAL SCHOOL DISTRICT AID

REGIONAL RECEIPT ITEM NUMBER: A-2

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 71, S. 16D
Ch. 492, Acts of 1974
Ch. 436, Acts of 1975

BUDGET ACCOUNT NUMBER: 7061-0003

AGENCY: Department of Education

AMOUNT: Total: $98,367,338

PURPOSE: To provide financial assistance to regional school districts on an equalizing basis.

DISTRIBUTION FORMULA: In FY92, although Chapter 71 is funded at the FY91 level, regions will experience a 1.5% decrease in their allocations due to the inclusion of three new regional school districts in this program. The distribution is funded at the FY91 level.

Regional school district aid is calculated according to a formula based on a district's reimbursable expenditures and property wealth per pupil. Fully regionalized school districts (K-12) receive proportionately more aid than partially regionalized school districts.

The regional school district formula is as follows:

$$\text{District's Aid} = R_d * \left[1.00 - \left[.65 * \frac{E_m}{E_s} \right] * \begin{cases} \text{(a) .50 (partial region)} \\ \text{(b) .70 (full region)} \end{cases} \right]$$

R_d = Regional district's reported reimbursable expenditures

E_m = Average Equalized Valuation per school attending children of member municipalities

E_s = Average Equalized Valuation per school attending children of all regional school districts statewide

ADMINISTRATION: Distributions are based on spending two school years prior to the year the distribution is made. The FY92 distribution is based on the 1989-1990 school year.

The Department of Education calculates regional school district distributions according to the above formula based on figures provided in End of Year Pupil and Financial Reports. The Department certifies to the Comptroller the amounts to be reimbursed to each regional school district.

PAYMENT SCHEDULE: Annually, in November.

TITLE: COUNTY JAIL GRANTS

MUNICIPAL RECEIPT ITEM NUMBER: A-3

LAW CREATING/MODIFYING PROGRAM: Ch. 138, S. 2, Acts of 1991

BUDGET ACCOUNT NUMBER: 8910-0040

AGENCY: Division of Local Services, Department of Revenue

Executive Office of Public Safety

AMOUNT: Total: $21,634,264

PURPOSE: To support the operation of county corrections facilities.

DISTRIBUTION FORMULA: For FY89, the first year of the program, estimates of county jail costs based on FY88 operations were developed. Beginning in FY89, the state assumed a portion of these costs including an increase of 2½% over the FY88 level. In addition, the FY89 state budget decreased each county's total tax assessment (and thus each county's member municipalities' county tax assessments) by the amount of each county's share of the state distribution. (See Cherry Sheet Assessment Item Number A.)

In FY90, the state appropriation was increased over the FY89 level of $80.5 million by 2½%. However, in FY91 and FY92, the state appropriation for this program was reduced to the FY89 level. To offset the decrease in state funding for county jail costs, counties were authorized to increase their assessments at a rate greater than 2½% per year.

ADMINISTRATION: This program is a Cherry Sheet item for Boston and Nantucket only, because these counties and their jail operations are administered solely by these municipalities. Although the total FY92 program appropriation is $80.5 million, only $21.6 million is paid through the Cherry Sheet. The remaining $58.9 million is paid directly to the other counties in the state.

The Division of Local Services certifies to the Treasurer the amounts to be distributed. No local action is needed to receive county jail funds. Payment of county jail grants to Boston and Nantucket (and the other twelve counties) are made to the appropriate county Treasurers.

PAYMENT SCHEDULE: Quarterly.

TITLE: RACIAL EQUALITY

MUNICIPAL AND
REGIONAL RECEIPT ITEM NUMBER: B-1

LAW CREATING/MODIFYING PROGRAM: Ch. 76, S. 12A
Ch. 71, S.S. 37I & J
Ch. 15. S. 1I

AGENCY: Department of Education

AMOUNT:

Total:	$24,412,446
All Municipal:	$23,607,295
All Regional:	$ 805,151

PAYMENT SCHEDULE: Quarterly, after filing.

This Municipal and Regional Cherry Sheet Receipt Item is comprised of the following three accounts:

RACIAL IMBALANCE (METCO)

BUDGET ACCOUNT NUMBER: 7010-0012

AMOUNT:

Total:	$11,164,446
All Municipal:	$10,359,295
All Regional:	$ 805,151

PURPOSE: To reduce or eliminate racial imbalance by providing minority children from racially imbalanced schools in Boston and Springfield an option to attend schools in another municipality or regional school district.

REIMBURSEMENT FORMULA: The receiving school district is reimbursed for its actual and specifically documented incremental instructional costs, special education instructional and evaluation costs, and transportation costs incurred as a direct consequence of program participation. The Board of Education approves grant payments subject to appropriation.

ADMINISTRATION: The school committee of any municipality or regional school district may adopt a plan for attendance at its schools by any child who lives in another municipality or regional school district in which racial imbalance exists in a public school. Such a plan must be filed with the Board of Education for adoption by the Board.

Each year, school districts must submit a grant application form and budget for this program to the Department of Education.

The Department of Education certifies to the Comptroller the amounts to be paid to municipalities and regional school districts.

MAGNET EDUCATION

BUDGET ACCOUNT NUMBER: 7010-0042

AMOUNT: Total: $4,800,000

PURPOSE: To provide magnet school facilities and magnet educational programs to reduce or eliminate racial imbalance.

REIMBURSEMENT FORMULA: Any municipality or regional school district adopting a plan to racially balance their schools may request, and the Board of Education may approve a grant, subject to appropriation, to cover the following costs incurred in the provision of magnet programs:

- the average per pupil costs of such schools over and above the average per pupil expenditure for other schools in the district, provided the payments do not exceed $300 per pupil served.
- the cost of transporting each pupil to the magnet facility.
- up to 75% of the cost of planning, constructing, and improving such a facility.
- other incidental costs in the provision of magnet facilities that the Board of Education approves.

ADMINISTRATION: School districts implementing a racial imbalance plan approved by the Board of Education and operating magnet schools are eligible to receive payments under this program. Each year, school districts must submit a grant application form and budget for this program to the Department of Education.

The Department of Education certifies to the Comptroller the amounts to be paid to municipalities.

EQUAL EDUCATION IMPROVEMENT

BUDGET ACCOUNT NUMBER: 7010-0043

AMOUNT: Total: $8,448,000

PURPOSE: To improve the quality of education in municipalities transferring pupils to eliminate racial imbalance, subject to certain funding priorities established by the Board of Education.

REIMBURSEMENT FORMULA: The qualifying school district receives, subject to appropriation, payments not to exceed $500 per pupil transferred for the purpose of racially balancing schools.

ADMINISTRATION: The Board of Education designates and administers a separate Equal Education Improvement Fund for each school district implementing an approved racial balance plan. Each year, school districts must submit a grant application form and budget for this program to the Department of Education.

The Department of Education certifies to the Comptroller the amounts to be paid to municipalities.

TITLE: LUNCH PROGRAMS

MUNICIPAL AND
REGIONAL RECEIPT ITEM NUMBER: B-2

LAW CREATING/MODIFYING PROGRAM: Chs. 871 & 753, Acts of 1970
Ch. 138, S. 320, Acts of 1991
Ch. 15, S. 1L

AMOUNT:

Total:	$6,268,401
All Municipal:	$5,550,856
All Regional:	$ 717,545

This Municipal and Regional Cherry Sheet Receipt Item is comprised of the following two accounts:

SCHOOL LUNCH

BUDGET ACCOUNT NUMBER: 7053-1909

AGENCY: Department of Education

AMOUNT:

Total:	$5,121,201
All Municipal:	$4,474,390
All Regional:	$ 646,811

PURPOSE: To reimburse part of the cost incurred in serving lunches to school children.

REIMBURSEMENT FORMULA: The cost of meals served are partially reimbursed to the extent funds are appropriated. Reimbursement is intended to supplement federal and local support.

ADMINISTRATION: Municipalities and regional school districts are required to submit reimbursement claims (Form FP-6) monthly to the Department of Education, which then approves the amount of reimbursement and submits payment vouchers to the Comptroller. The program must be in accordance with the National School Lunch Act.

PAYMENT SCHEDULE: Monthly.

ELDERLY LUNCH

BUDGET ACCOUNT NUMBER: 9110-1900

AGENCY: Department of Elder Affairs

AMOUNT:

Total:	$1,147,200
All Municipal:	$1,076,466
All Regional:	$ 70,734

PURPOSE: To reimburse part of the cost of elderly lunch programs.

REIMBURSEMENT FORMULA: Reimbursements are provided to school districts that provide a hot lunch program to authorized elderly persons 60 years of age and older. The recipient's personal contribution for the meal cannot exceed $1.00 per meal and the meal must meet Federal Title III nutrition standards. Reimbursement is limited to the difference between the cost of each meal and the fee paid by the recipient of the meal.

ADMINISTRATION: School districts are required to submit reimbursement claims (Form EP-2) to the Department of Elder Affairs, which then approves the amount of reimbursement and submits payment vouchers to the Comptroller.

PAYMENT SCHEDULE: Monthly.

TITLE: EQUAL EDUCATION OPPORTUNITY

MUNICIPAL AND
REGIONAL RECEIPT ITEM NUMBER: B-3

LAW(S) CREATING/MODIFYING PROGRAM:	Ch. 70A Ch. 138, S. 131, Acts of 1991
BUDGET ACCOUNT NUMBER:	7061-1000
AGENCY:	Department of Education
AMOUNT:	Total: $105,462,226 All Municipal: $ 94,144,199 All Regional: $ 11,318,027

PURPOSE: To raise per-pupil direct service expenditures in municipalities and regional school districts in which such expenditures are below 85% of the state average.

DISTRIBUTION FORMULA: Originally, the Department of Education paid one sixth of the difference between a school district's actual spending and the amount that would bring the district to 85% of the average per-pupil spending in similar districts.

No new municipalities and regional school districts have been funded since FY89. For FY92, municipalities and regional school districts that receive EEO grant funds will receive the same funding level as in FY91, provided that these municipalities meet maintenance of effort requirements.

These grants require municipalities and regional school districts to continue to support a certain level of school spending (maintenance of effort) measured in terms of (1) per-pupil spending and (2) school share of the municipality's budget. Failure to maintain effort results in the permanent loss of eligibility.

The FY92 state budget modified maintenance of effort requirements, recognizing that declines in state aid and local revenues would make it difficult for school systems to maintain EEO eligibility. For FY92, the maintenance of effort formula calculates the required school share of the municipality's and regional school district's budget by allowing that a reduced level of overall resources (for municipalities, this includes Chapter 70, Additional Assistance, and the tax levy; for regional school districts, this includes Chapter 70 and Regional School District Aid) may result in a proportionate spending reduction for schools. Waivers to these maintenance of effort requirements may be granted by the Commissioner of Education.

ADMINISTRATION: The Department of Education notifies eligible municipalities and includes in the notification the maintenance of effort requirements for eligible districts to accept the grants. Districts that wish to accept a grant must submit a vote of acceptance by the school committee and local appropriating authority. Regional school districts must submit votes of acceptance from 2/3 of the appropriating bodies of member municipalities. The Department of Education prepares a memorandum of understanding that must be signed by each district's superintendent, school committee chairperson, and appropriating body representatives.

PAYMENT SCHEDULE: Annually, after filing memorandum of understanding.

TITLE: SCHOOL IMPROVEMENT COUNCIL

MUNICIPAL AND
REGIONAL RECEIPT ITEM NUMBER: B-4

LAW CREATING/MODIFYING PROGRAM: Ch. 10, S. 51

AGENCY: Department of Education

AMOUNT: THIS PROGRAM WAS NOT FUNDED IN FY92.

PURPOSE: To encourage formation of school advisory councils composed of administrators, parents, and citizens.

TITLE: HORACE MANN TEACHERS

MUNICIPAL AND
REGIONAL RECEIPT ITEM NUMBER: B-5

LAW CREATING/MODIFYING PROGRAM: Ch. 15, S. 1G

AGENCY: Department of Education

AMOUNT: THIS PROGRAM WAS NOT FUNDED IN FY92.

PURPOSE: To increase compensation by up to $2,500 for certain teachers who initiate specialized projects in areas such as training, curriculum development, and drop-out prevention.

TITLE: SCHOOL TRANSPORTATION PROGRAMS

MUNICIPAL AND
REGIONAL RECEIPT ITEM NUMBER: B-6

LAW(S) CREATING/MODIFYING PROGRAM:	Ch. 71 SS. 7A, 7B, 37D Ch. 71A, S. 8 Ch. 71B, S. 14 Ch. 74, S. 8A
BUDGET ACCOUNT NUMBER:	7035-0004
AGENCY:	Department of Education
AMOUNT:	Total: $57,689,410 All Municipal: $56,243,824 All Regional: $ 1,445,586

PURPOSE: To reimburse all or part of the costs, subject to appropriation, incurred by a municipality or regional school district for pupil transportation.

REIMBURSEMENT FORMULAS:
Pupil Transportation - Ch. 71, S. 7A:
The state reimburses the cost above $5 per pupil per year. This reimbursement is paid provided that:

a) the pupil resides at least 1½ miles from school as measured by a common route
b) the cost for private school transportation is not more than public school transportation in the same municipality
c) the contract for transporting pupils is awarded to the lowest bidder except where the lowest bidder is unacceptable to the school committee (and the committee must show justification).

School Transportation - Ch. 71, S. 7B:
Provides for the partial reimbursement of the cost not reimbursable under Section 7A incurred by a school district for the transportation of pupils to and from school on mass public transit. Aid is limited to the direct costs of transportation, the indirect cost of maintaining public transit services, or 20 cents per day per rider, whichever is less. Riders must live at least 1½ miles from school for their transportation costs to be eligible for reimbursement.

Racial Imbalance Transportation - Ch. 71, S. 37D:
Reimburses the cost of transporting pupils for the purpose of achieving racial balance.

Bilingual and Special Needs Transportation - Ch. 71A, S. 8 and Ch. 71B, S. 14:
Reimburses municipalities for costs incurred for the transportation of bilingual and special needs pupils to and from schools. The reimbursement of a district's bilingual and special needs per rider costs will equal the local cost for a regular rider, plus the

difference between that cost and the special or bilingual cost, provided that the difference does not exceed 110% of the state average difference.

Outside Vocational School Transportation - Ch. 74, S. 8A: Reimburses the cost of transporting pupils to occupational programs outside the school district.

Ch. 71, S.7A, S.7B, and S.16C reimburse school districts for 100% of non-public school transportation.

ADMINISTRATION: Reimbursement during any fiscal year is for costs incurred in the prior school year. The Department of Education calculates pupil transportation reimbursements according to the above formulas based on figures provided by school districts in End of Year Pupil and Financial Reports. The Department of Education certifies to the Comptroller the amounts to be reimbursed to each municipality and regional school district.

Funds under Ch. 71, S. 7A are reimbursed to municipalities only; both municipalities and regional school districts receive funds under the other programs. Regional school districts are reimbursed for transportation costs under Ch. 71, S. 16C; see Regional Receipt Item Number B-10.

PAYMENT SCHEDULE: Annually, after filing.

TITLE: SCHOOL CONSTRUCTION

MUNICIPAL AND
REGIONAL RECEIPT ITEM NUMBER: B-7

LAW(S) CREATING/MODIFYING PROGRAM:	Ch. 645, Acts of 1948 Ch. 511, Acts of 1976 Ch. 746, Acts of 1987 Ch. 232, Acts of 1989 Ch. 150, Acts of 1990
BUDGET ACCOUNT NUMBER:	7052-0004 (First Annual Payments) 7052-0005 (Ongoing Payments) 7052-0006 (Other Reimbursable Costs)
AGENCY:	Department of Education
AMOUNT:	Total: $145,872,542 All Municipal: $123,976,156 All Regional: $ 21,896,386

PURPOSE: To provide financial assistance to municipalities and regional school districts to plan and construct school buildings. Projects include new buildings, additions, renovations, and major building repair projects.

REIMBURSEMENT FORMULA: Any municipality or regional school district may apply for a school construction grant to cover part of the cost of an approved school project. Total grants are between 50% and 90% of costs. Each municipality's level of reimbursement is specified by statute. However, reimbursement for all projects to reduce or eliminate racial imbalance is 90%.

The level of reimbursement for regional school districts is calculated by multiplying the capital assessment for each member municipality (as established by regional agreement) by the grant percentage as specified by statute and summing the results.

The number of payments received by the grant recipient is equal to the number of years for which indebtedness is incurred to finance the project, but not less than five or more than twenty years.

ADMINISTRATION: Municipalities and regional school districts file capital project applications with the Bureau of School Facilities and Management Services of the Department of Education. Each June, all completed applications are prioritized according to criteria established by a legislative subcommittee. The ranked projects are submitted to the Board of Education at its annual June meeting to establish the order of project approval in the next fiscal year.

Major reconstruction projects require a simpler format than school construction projects. Once these applications are on file, the school district usually begins the repair. The district then waits for retroactive Board approval in future fiscal years, which is contingent upon the availability of funds.

Each fiscal year, the legislature approves the annual School Building Assistance authorization, which allows the Board of Education to approve grants during the year. The legislature agrees to fund these grants in the following fiscal year from the First Annual Payments account.

The Ongoing Payments account provides for all second and subsequent payments of approved school construction grants. The Other Reimbursable Costs account provides for other construction related activities including: planning for a regional school, matching stabilization fund payments, surveys on the condition of schools and space needs, reimbursement for leases for vocational space, and reimbursement for capital costs associated with a buy-in to a regional school district.

The Department of Education certifies to the Comptroller the amounts to be provided.

Form F must be filed three times during the duration of the school construction project: first when applying for Board approval of the project, second when applying for a project number, and finally when the project and audit are completed.

PAYMENT SCHEDULE: Payments are made annually for each project, during the quarter in which the project's construction started. Municipalities must submit evidence that a project has started in order to receive the First Annual Payment. The First Annual Payment is made in the next fiscal year after the project has started.

TITLE: TUITION OF STATE WARDS

MUNICIPAL AND
REGIONAL RECEIPT ITEM NUMBER: B-8

LAW CREATING/MODIFYING PROGRAM: Ch. 76, S. 7 & 9
Ch. 74s, S. 7A

AGENCY: Department of Education

AMOUNT: THIS PROGRAM WAS NOT FUNDED IN FY92.

PURPOSE: To reimburse municipalities and regional school districts for the cost of public elementary or high school tuition for children who are wards of the state under the jurisdiction of the Department of Social Services.

TITLE: SPECIAL NEEDS RECREATION

MUNICIPAL AND
REGIONAL RECEIPT ITEM NUMBER: B-9

LAW CREATING/MODIFYING PROGRAM: Ch. 71B, S. 11

AGENCY: Department of Education

AMOUNT: THIS PROGRAM WAS NOT FUNDED IN FY92.

PURPOSE: To reimburse municipalities and regional school districts that operate recreation programs for school-age children with special needs.

TITLE: RETIRED TEACHERS' PENSIONS

MUNICIPAL RECEIPT ITEM NUMBER: B-10

LAW CREATING/MODIFYING PROGRAM:	Ch. 32, S. (2) (c)
BUDGET ACCOUNT NUMBER:	0612-1010
AGENCY:	Teachers' Retirement Board
AMOUNT:	Total: $27,100,000

PURPOSE: To reimburse the City of Boston for the cost of paying pensions to retired teachers not covered by the state teachers' retirement system. (All other teachers are covered by the state teachers' retirement system.)

REIMBURSEMENT FORMULA: The City of Boston is reimbursed 97% of contributory pension and 100% of non-contributory pension expenses for FY92.

ADMINISTRATION: The Boston Retirement Board certifies the pensions to be paid to the State Teachers' Retirement Board. The State Teachers' Retirement Board certifies to the Comptroller the reimbursement to the City of Boston.

PAYMENT SCHEDULE: Annually, September.

TITLE: TRANSPORTATION OF PUPILS

REGIONAL RECEIPT ITEM NUMBER: B-10

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 71, S. 16C

BUDGET ACCOUNT NUMBER: 7035-0006

AGENCY: Department of Education

AMOUNT: Total: $26,850,194

PURPOSE: To reimburse the cost of regional school transportation.

REIMBURSEMENT FORMULA: The state reimburses a portion of the cost of regional school transportation. Costs eligible for reimbursement are limited to those incurred in transporting pupils who live at least 1½ miles from school.

ADMINISTRATION: Reimbursement during any fiscal year is for costs incurred in the prior school year. The Department of Education calculates pupil transportation reimbursements based on figures provided by school districts in End of Year Pupil and Financial Reports. The Department of Education certifies to the Comptroller the amounts to be reimbursed to each regional school district.

PAYMENT SCHEDULE: Annually, after filing.

TITLE: SMALL TOWN SCHOOL AID

MUNICIPAL RECEIPT ITEM NUMBER: B-11

LAW CREATING/MODIFYING PROGRAM: Ch. 150, Acts of 1990

AGENCY: Department of Education

AMOUNT: THIS PROGRAM WAS NOT FUNDED IN FY92.

PURPOSE: To provide financial assistance to municipalities with populations of fewer than 2,000 whose regional school district assessments were in excess of 60% of their FY90 levy limits.

TITLE: PUBLIC LIBRARIES

MUNICIPAL RECEIPT ITEM NUMBER: C-1

LAW CREATING/MODIFYING PROGRAM: Ch. 78, S. 19A & 19B

BUDGET ACCOUNT NUMBER: 7000-9501

AGENCY: Board of Library Commissioners

AMOUNT: Total: $5,660,779

PURPOSE: To help municipalities maintain minimal levels of library services and resources.

REIMBURSEMENT FORMULA: This program employs two funding formulas to determine amounts for each municipality. Municipalities complete one application for both grants and may qualify for one or both programs.

1. The Library Incentive Grant (LIG) is distributed to municipalities as follows:

   a) population under 2,500: an amount equal to the amount appropriated for free public library service in the preceding year; distribution not to exceed $1,250

   b) population over 2,500: up to $.50 per capita, provided that at least $1,250 was appropriated for public library service in the preceding year.

2. The Municipal Equalization Grant (MEG) distributes the balance in the account according to the lottery formula (See Municipal Cherry Sheet Receipt Item Number C-7), so that municipalities with lower property values receive proportionately more aid than those with greater property values.

ADMINISTRATION: To qualify for funding, requirements must be met and the municipal Library Director must submit an application to the Board of Library Commissioners each year. Requirements include:

1. For FY92 only, the current year's appropriation to operate the public library must be equal to or greater than 95% of the average of the 3 preceding years' appropriations. In FY92, the Board of Library Commissioners may grant waivers of these requirements to a maximum of 25 municipalities.

2. The library must have complied with the minimum standards for free public library service in the preceding year. There are minimum standards in such areas as director's education, hours of operation, and expenditures for materials.

3. The library must submit annual report data as specified by the Board of Library Commissioners.

The Board of Library Commissioners measures compliance with all requirements before voting to certify or deny applicants for grant payments.

The Board of Library Commissioners certifies to the Comptroller the amount of aid to be provided to each municipality.

PAYMENT SCHEDULE: Once qualifications are met, the first payment is made no later than the third quarter. This payment includes 100% of a municipality's LIG allocation and a portion of the MEG. The remaining balance of a municipality's MEG allocation is paid in the last quarter of the year.

Payments must be held in a separate municipal account and can be expended by the public library without appropriation.

TITLE: REGIONAL PUBLIC LIBRARIES

MUNICIPAL RECEIPT ITEM NUMBER: C-2

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 78, S. 19C

BUDGET ACCOUNT NUMBER: 7000-9401

DEPARTMENT: Board of Library Commissioners

AMOUNT: Total: $9,548,149

PURPOSE: To cover specific costs for libraries under contract with the Board of Library Commissioners for the provision of regional library services (including delivery of materials between libraries, interlibrary loan, consulting, cooperative efforts, and reference and research services).

DISTRIBUTION FORMULA: The FY92 state budget stipulates that the Boston Public Library, as the "library of last recourse," will receive an amount equal to $.768 per resident of the state.

The allocation for each regional system is then calculated by applying the following rates based on population per square mile in each region:

Over 1,000 per square mile:	$1.00
750-999 per square mile:	$1.10
Under 750 per square mile:	$1.30

The amount of funding for each library that contracts to provide regional service is determined by the annual budget and plan of service recommended by each region's advisory council and approved by the Board of Library Commissioners. If there are insufficient funds to meet these formulas, the above rates are reduced proportionately.

ADMINISTRATION: The Board of Library Commissioners contracts with libraries it has identified as appropriate providers of regional service. Services are specified in contracts, annual budgets, and plans of service. The Board of Library Commissioners certifies to the Comptroller the amount of aid to be provided to each municipality.

PAYMENT SCHEDULE: Each contract determines whether libraries are reimbursed upon receipt of expenditure reports on a monthly basis (through submission of Form RPLS1) or paid through advance payments on a quarterly basis (through submission of Form RPLS5).

TITLE: POLICE CAREER INCENTIVE

MUNICIPAL RECEIPT ITEM NUMBER: C-3

LAW(S) CREATING/MODIFYING PROGRAM:	Ch. 41, S. 108L Ch. 835, Acts of 1970 Ch. 369, S. 1 & 2, Acts of 1973 Ch. 452, S. 1-3, Acts of 1975 Ch. 283, S. 38, Acts of 1976 Ch. 480, S. 9
BUDGET ACCOUNT NUMBER:	8100-0400
AGENCY:	Higher Education Coordinating Council (formerly Board of Regents of Higher Education)
AMOUNT:	Total: $6,700,000

PURPOSE: To encourage municipalities to provide career incentive education programs to police officers through salary increases. The Police Career Incentive Pay Program rewards police officers for additional training in the field of criminal justice and law enforcement.

REIMBURSEMENT FORMULA: The Higher Education Coordinating Council annually certifies police officers for Associate's, Bachelor's, or Master's degrees. Such officers are eligible to receive 10%, 20%, or 25% base salary pay increases. The participating municipalities pay each officer 100% of Incentive Pay and are subsequently reimbursed a proportion of these expenses.

The enabling legislation for this program specified that reimbursement should equal 50% of the added annual salary costs incurred by police departments. However, because this distribution has been capped at $6.7 million since FY88, expenses are reimbursed to the extent that the appropriation permits, on a pro-rated basis.

ADMINISTRATION: Participating police officers submit certificates of college completion to the Higher Education Coordinating Council, which certifies career incentive salary increases. The Coordinating Council notifies police chiefs of the academic status attained by participating officers. The police chief in each participating municipality certifies by each September 1 to the Coordinating Council added base salaries paid as a result of the program during the preceding year. The Division of Local Services determines the amount of reimbursement due to the municipality based on the total appropriation and certifies to the Comptroller the amounts to be reimbursed.

PAYMENT SCHEDULE: Annually, January.

TITLE: URBAN RENEWAL PROJECTS

MUNICIPAL RECEIPT ITEM NUMBER: C-4

LAW CREATING/MODIFYING PROGRAM: Ch. 121B, S. 53-57

AGENCY: Executive Office of Communities and Development (EOCD), Municipal Division

AMOUNT: Total: $1,244,520

ADMINISTRATION: EOCD administers three different accounts under the Urban Development Program.

The federally-aided projects and non-federally aided projects reimburse municipalities for projects approved by EOCD and in the implementation phase. The reimbursements are payable over a 20 year period.

EOCD sends payment vouchers to local treasurers who complete and return them for processing.

PAYMENT SCHEDULE: One half of payment in December and one half of payment in June.

This Municipal Cherry Sheet Receipt Item is comprised of the following three accounts:

FEDERALLY-AIDED URBAN RENEWAL

BUDGET ACCOUNT NUMBER: 3722-9101

AMOUNT: Total: $130,369

PURPOSE: To meet part of the local cost of federally-aided renewal projects.

REIMBURSEMENT FORMULA: EOCD reimburses one half of the local share, or one sixth of the net project cost over a 20 year period. Grants cannot exceed $3.5 million per year. No new projects will be funded, as this program has reached its total funding capacity of $70 million.

NON-FEDERALLY AIDED URBAN RENEWAL

BUDGET ACCOUNT NUMBER: 3722-9102

AMOUNT: Total: $566,951

PURPOSE: To meet part of the cost of a local, non-federally approved urban renewal project that did not receive federal assistance under the federally-aided program.

REIMBURSEMENT FORMULA: EOCD reimburses one half of the total net project cost over a 20 year period. Grants cannot exceed $1 million per year. This program's total funding capacity is $20 million.

URBAN REVITALIZATION DEVELOPMENT GRANTS

BUDGET ACCOUNT NUMBER: 3722-9108

AMOUNT: Total: $547,200

PURPOSE: To provide funds to municipalities to meet planning and implementation costs related to urban revitalization and development projects. The program assists municipalities in the redevelopment of downtowns, neighborhoods, industrial parks, and commercial areas.

REIMBURSEMENT FORMULA: EOCD may advance funds of up to 75% of the estimated cost of project development analysis and administration. When executing a project, the municipality must appropriate 100% of the necessary funds. EOCD will reimburse the municipality over a 20 year period for 50% of the net project cost.

TITLE: VETERANS' BENEFITS

MUNICIPAL RECEIPT ITEM NUMBER: C-5

MAJOR CITATION: Ch. 115, S. 6

BUDGET ACCOUNT NUMBER: 4170-0400

DEPARTMENT: Department of Veterans' Services

AMOUNT: Total: $10,821,903

PURPOSE: To reimburse municipalities for a portion of amounts spent for veterans' financial, medical, and burial benefits.

REIMBURSEMENT FORMULA: The program reimburses 75% of a municipality's costs for veterans' and their dependents' benefits.

ADMINISTRATION: The veterans' agent and the treasurer of each municipality shall certify the names and other information that the Commissioner of Veterans' Services may require within 30 days after the end of the month in which the expenditures were made. The Commissioner then approves and certifies to the Comptroller the amounts to be reimbursed.

PAYMENT SCHEDULE: Quarterly.

TITLE: HIGHWAY FUND

MUNICIPAL RECEIPT ITEM NUMBER: C-6

LAW CREATING/MODIFYING PROGRAM: Ch. 81, S. 31
Ch. 577, S. 8, Acts of 1980

BUDGET ACCOUNT NUMBER: 6005-0017

AGENCY: Department of Public Works

AMOUNT: Total: $78,800,000

PURPOSE: To reimburse municipalities for costs incurred in the construction, maintenance, and policing of local streets and roads.

DISTRIBUTION FORMULA: This program was not funded in FY91, but was funded in FY90 and prior years.

Of the total $78.8 million to be distributed in FY92, $36.5 million is a retroactive payment for costs incurred in FY91 and $42.3 million is a payment for costs incurred in FY92. Each municipality's share of both the FY91 and FY92 allocation will be distributed in proportion to the amount distributed to each municipality in FY90.

The Highway Fund formula is based on the relative number of motor vehicle registrations, road miles, and Equalized Valuations. Reimbursements are made according to the following formula:

Basic Highway Allowance = $400
Road Use Allowance = 7 x Registrations/Miles
Equalizing Deduction = .0001 x Equalized Value/Miles

$$\text{Municipality's Aid} = \left[\$400 + 7 * \left[\frac{R_m}{M_m}\right] - .0001 * \left[\frac{E_m}{M_m}\right]\right] * M_m$$

R_m = Number of local registrations

M_m = Number of local road miles

E_m = Equalized Valuation of the municipality

The formula was most recently used in FY89.

ADMINISTRATION: All Highway Fund distributions are made from the motor vehicle fuels excise tax. Each gallon of gasoline sold in the

state is taxed 10% of its wholesale price per gallon (recalculated every 3 months) or a minimum of $.21 per gallon. Of the total amount collected 7½% is dedicated to Highway Fund reimbursements.

The $36.5 million for FY91 expenditures was distributed to municipalities on September 1, 1991. Payment of $42.3 million in FY92 funds will be on a quarterly basis. Payments are contingent upon local submission of form HED-077, which certifies appropriations for highway related expenses to the Department of Public Works.

The Division of Local Services reviews HED-077 data provided by the Department of Public Works to ensure that a municipality's total distribution does not exceed its expenditures. The Division of Local Services certifies the amount due to the Treasurer before each distribution.

PAYMENT SCHEDULE: September 1 and then quarterly, after filing.

TITLE: LOTTERY, BEANO & CHARITY GAMES

MUNICIPAL RECEIPT ITEM NUMBER: C-7

LAW CREATING/MODIFYING PROGRAM: Ch. 29, S. 2D
Ch. 58, S. 18C

BUDGET ACCOUNT NUMBER: 0640-2001

AGENCY: Lottery Commission

AMOUNT: Total: $306,000,000

PURPOSE: To provide general purpose financial assistance to municipalities on an equalizing basis.

DISTRIBUTION FORMULA: Each municipality's FY92 lottery aid is level funded at its FY91 lottery aid amount.

The formula was most recently used in FY88 to distribute aid in excess of the prior fiscal year's allocation.

The Lottery formula is equalizing, with municipalities with lower property values receiving proportionately more aid than those with greater property values. The formula is based on relative population and Equalized Valuation.

The formula is as follows:

$$\text{Municipalty's Aid} = \left[\frac{E_s}{E_m} \right] * \$10 * P_m * K$$

E_s = Equalized Valuation per capita of the state

E_m = Equalized Valuation per capita of the municipality

P_m = Population of the municipality

K = Pro-ration factor

The pro-ration factor adjusts the formula according to the net Lottery receipts available.

ADMINISTRATION: The Lottery allocates to municipalities the proceeds from state lottery games minus prizes and administrative expenses. The Lottery distribution is funded through a transfer of funds and not by appropriation, although the total amount of the annual distribution is stipulated by each year's state budget.

In FY92, the Lottery distribution is capped at $306 million, the same amount as in FY91 and FY90. Between FY89 and FY90, the Lottery distribution was increased by $91 million, from $215 million to $306 million. This increase balanced a reduction of $91 million in Resolution Aid.

No local action is needed to receive Lottery funds.

PAYMENT SCHEDULE: Quarterly.

TITLE: LOCAL SHARE OF RACING TAXES

MUNICIPAL RECEIPT ITEM NUMBER: C-8

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 558, Acts of 1981
Ch. 549, Acts of 1982

BUDGET ACCOUNT NUMBER: 0611-5800

AGENCY: Racing Commission

AMOUNT: Total: $ 1,055,745

PURPOSE: To return a portion of the taxes collected from race tracks to those municipalities where horse or dog tracks or certain county fairs are located.

DISTRIBUTION FORMULA: The "handle" equals the total amount of all wagers made. One quarter (¼) of 1% of the handle (not to exceed 3% of each municipality's levy limit) is distributed to municipalities in which racing tracks are located.

In FY92, municipalities will receive a distribution based on Calendar Year 1990 collections.

ADMINISTRATION: The Racing Commission certifies to the Treasurer the amounts to be distributed.

PAYMENT SCHEDULE: Annually, January.

TITLE: EXEMPTIONS: VETERANS, BLIND & SURVIVING SPOUSES

MUNICIPAL RECEIPT ITEM NUMBER: C-9

LAW CREATING/MODIFYING PROGRAM: Ch. 58, S. 8A
Ch. 59, S. 5, Clause 17, 17C, 17C½, 17D, 22A, 22B, 22C, 22D, 22E, 37 & 37A

BUDGET ACCOUNT NUMBER: 1233-2000

AGENCY: Division of Local Services, Department of Revenue

AMOUNT: Total: $4,394,762

PURPOSE: To reimburse municipalities for property tax exemptions granted to qualifying veterans, blind persons, and surviving spouses.

REIMBURSEMENT FORMULA: The reimbursement for each type of exemption is specified by statute. Each municipality is reimbursed for each exemption documented in a given fiscal year. The amounts of exemption granted to individuals and the amounts reimbursed to municipalities by statute are as follows:

- Surviving spouses, minor children, elderly persons:
  $175, 100% reimbursed (Clause 17)
  $175, reimbursement not to exceed amount reimbursed under Clause 17 (Clauses 17C, 17C½, 17D)
- Paraplegic veterans, surviving spouses:
  Full amount, 100% minus $175 reimbursed (S. 8A)
- Veterans, loss of one arm, foot, or eye:
  $350, 50% reimbursed (Clause 22A)
- Veterans, loss of two arms, two feet, one arm and one leg, or loss of sight:
  $700, 75% reimbursed (Clause 22B)
- Veterans, special adapted housing:
  $875, 80% reimbursed (Clause 22C)
- Veterans, surviving spouses, Quemoy & Matsu only:
  $175, 100% reimbursed (Clause 22D)
- Veterans, 100% disability:
  $525, 66 2/3% reimbursed (Clause 22E)
- Blind persons:
  $437.50, 20% reimbursed (Clause 37)
  $500, 17.5% reimbursed (Clause 37A)

ADMINISTRATION: Local Assessors submit Forms 97-R WPM (Clause 17), 97-R WPM-1 (Clause 17C, 17C½, 17D), 97-R (S. 8A and Clauses 22A, 22B, 22C, 22D, 22E), 100C (Clause 37) and 100B (Clause 37A), including any documentation required for reimbursement of exemptions granted, after the municipality's tax rate is certified each year.

Claims for reimbursement are processed by the Division of Local Services on a periodic basis. Delays in setting a tax rate due to revaluation problems can result in reimbursements being paid as late as the third fiscal year after funds are appropriated.

The Division of Local Services certifies to the Comptroller the amounts to be reimbursed.

PAYMENT SCHEDULE: Annually.

TITLE: **EXEMPTIONS: ELDERLY**

MUNICIPAL RECEIPT ITEM NUMBER: **C-10**

LAW CREATING/MODIFYING PROGRAM: Ch. 59, S. 5, Clause 41, 41B & 41C

BUDGET ACCOUNT NUMBER: 1233-2310

AGENCY: Division of Local Services, Department of Revenue

AMOUNT: Total: $15,000,000

PURPOSE: To reimburse municipalities for property tax exemptions granted to qualifying people at least 70 years of age who meet certain "whole estate or total assets", annual income, and residency requirements.

REIMBURSEMENT FORMULA: The total number of persons awarded the exemption is divided into the total appropriation. The result is then multiplied by the number of exemptions granted in each municipality to determine the total reimbursement per municipality. However, if a municipality has adopted Clause 41B or 41C, the number of exemptions for which it is reimbursed cannot exceed the number reimbursed in the most recent year under Clause 41.

The exemption amount for each individual is $500.

ADMINISTRATION: Local Assessors submit Form MDM-1 to the Division of Local Services. This form lists the number of exemptions granted in the prior fiscal year. Municipalities must submit Form MDM-1 by October 1. The Division of Local Services certifies to the Comptroller the amounts to be reimbursed to municipalities.

PAYMENT SCHEDULE: Annually.

IV. CHERRY SHEET ASSESSMENTS

Chapter 59, Section 21 of the Massachusetts General Laws requires the Commissioner of Revenue to provide municipalities and regional school districts with advance estimates of state assessments and charges and county tax assessments. Local assessors are required to use these figures in determining the local property tax rate.

The Cherry Sheet, form CS 1-EC, notifies municipalities of estimated assessments and charges. Regional school districts are notified of charges for the one assessment program in which they participate, Energy Conservation Program Repayment, on form CS 2-ER.

Actual assessments will differ from Cherry Sheet estimates for at least five programs, as final data becomes available to administering agencies subsequent to the issuance of Cherry Sheets.

The "prior year underestimates" and "prior year overestimates" columns on form CS 1-EC provide for local budgetary recognition of deficits and surpluses that are caused when the actual assessments and charges differ from the estimates. Local assessors must use these Cherry Sheet figures in determining the "Total Amount to Be Raised by Taxation" on the Tax Rate Recapitulation Sheet. An overestimate represents a prior fiscal year account surplus which is reflected as an estimated receipt to support the current year's budget; an underestimate represents a prior year account deficit which is reflected as an amount to be raised in the current year's budget.

Under Proposition 2½, the following agencies' or counties' total assessments cannot increase by more than 2½% of the prior year's actual assessment: Mosquito Control Projects (B-5), Air Pollution Districts (B-6), Metropolitan Area Planning Council (B-7), Old Colony Planning Council (B-8), MBTA (C-1), Boston Metropolitan Transit District (C-2), and Regional Transit Authorities (C-3). However, the administering agencies or authorities can increase their total assessments by more than 2½% if they can demonstrate to the Division of Local Services that the increase is due to the provision of new services.

PAYMENT OF FY92 CHERRY SHEET ASSESSMENTS

At the beginning of each fiscal year, the State Treasurer requests updated estimates from agencies, if actual figures are not yet available, for State Assessments and Charges (B-1 through B-9) and Transportation Authorities (C-1 through C-3). These estimates may differ from Cherry Sheet figures if better information has become available since the issuance of the Cherry Sheet. When final assessments are determined, adjustments are made to assessments in the last three quarterly local aid distributions. For State Assessments and Charges and Transportation Authorities, agencies certify assessments directly to the State Treasurer to be deducted from distributions.

For Annual Charges Against Receipts (D-1 through D-5), agencies certify charges to the the Division of Local Services, which notifies the State Treasurer when it certifies the amounts of the local aid distribution.

In FY92, for the first time since FY89, Cherry Sheet assessments will be deducted from quarterly local aid distributions by the Treasurer. One quarter of each of the following assessments will be deducted from each municipality's quarterly local aid distribution:

State Assessments and Charges (B-1 through B-9)
Transportation Authorities (C-1 through C-3)

In addition, one entire item from Annual Charges Against Receipts will be deducted from each municipality's quarterly distribution as follows:

1st quarter: Multi-Year Repayment Programs (D-1)
2nd quarter: Energy Conservation (D-3)
3rd quarter: Strap Repayments (D-4)
4th quarter: Special Education (D-2)

County assessments (A) are paid directly to each county by local treasurers.

C.S. 1-EC

Commonwealth of Massachusetts Department of Revenue

FY92

NOTICE TO ASSESSORS OF ESTIMATED CHARGES
TO BE USED IN DETERMINING THE TAX LEVY

GENERAL LAWS, CHAPTER 59, SECTION 21. . . . . ALL MUNICIPALITIES . . . . . .
Municipality

The following State and County Assessments, as estimated, and the underestimates from the prior year, must be used by the Assessors in determining the "Total Amount to be Raised by Taxation." Overestimates from the prior year must be listed by the Assessors as "Estimated Receipts - State."	Column 1 Estimates to be raised	Column 2 PRIOR YEAR Underestimates to be raised	Column 3 PRIOR YEAR Overestimates to be Used as Estimated Receipts - State
A. County Assessment, County Tax Ch. 35, s. 31. . . .	$ 24,362,078	$ 60	$ 56,759
B. STATE ASSESSMENTS AND CHARGES:			
1. Supervision of Retirement Systems Ch. 32, s. 21. . . .	$ 937,382	$	$
2. Motor Vehicle Excises 1962, Ch. 727.	535,398		
3. Retired Employees Health Insurance Ch. 32A.	2,908,187		
4. Retired Teachers Health Insurance Ch. 32A	14,298,116		
5. Mosquito Control Projects Ch. 252.	3,317,948		115,246
6. Air Pollution Districts Ch. 676.	1,209,345		
7. Metropolitan Area Planning Council Ch. 40B, 476	591,327		
8. Old Colony Planning Council Ch. 332	65,874		
9. Parking Surcharge, Ch. 90.		3,764,240	
Sub-Total, State Assessments	$ 23,863,577	$ 3,764,240	$ 115,246
C. TRANSPORTATION AUTHORITIES:			
1. MBTA Chs. 161A, 825	$ 118,641,982	$ 146,974	$ 146,974
2. Boston Met. Trans. Dist. 1929, Ch. 383; 1954, Ch. 535	25,000		
3. Reg'l Trans. Auth's Ch. 161B, ss. 9-10; 1973, Ch. 1141	11,872,694	319,324	280,582
Sub-Total, Transportation Assessments	$ 130,539,676	$ 466,298	$ 427,556
D. ANNUAL CHARGES AGAINST RECEIPTS:			
1. Multi-Year Repayment Programs	$ 1,546,558	$	$
2. Spec. Educ. Ch. 71B, ss. 10, 12	2,029,095	259,699	820,029
3. Energy Conservation 1983, Ch. 700	573,750		33,165
4. STRAP Repayments Ch. 637	211,108	5,625	
5. Solid Waste Clean-up 1987, Ch. 584			
Sub-Total, Charges against Receipts	$ 4,360,511	$ 265,324	$ 853,194
E. TOTAL ESTIMATED CHARGES, FISCAL 1992	$ 183,125,842	$ 4,495,922	$ 1,452,755

F. NET CHARGES, FISCAL 1992. . . . . . **(Column 1 + Column 2 - Column 3)** $ 186,169,009

TITLE: COUNTY TAX

MUNICIPAL ASSESSMENT ITEM NUMBER: A

LAW CREATING/MODIFYING PROGRAM: Ch. 35, S. 30

AGENCY: Division of Local Services, Department of Revenue

AMOUNT: Total: $24,362,078

PURPOSE: To assess municipalities in order to fund the cost of county government and the services counties provide.

ASSESSMENT FORMULA: The county assessment is calculated in conjunction with the county jail grants program (See Cherry Sheet Municipal Receipt Item Number A-3). The combined revenue from the two programs (jail grant program and county tax) is allowed to increase by 2½% over the previous year's actual total. Since FY92 county jail grants are funded at their FY91 level, each county's total is allowed to increase by 2½% plus the amount that its county jail grant would have increased had it also gone up by 2½% annually. For Barnstable county only, a charge for the Cape Cod Commission is added to the total assessment.

Each county government's assessment is apportioned among its member municipalities in proportion to each municipality's Equalized Valuation as a share of the total county Equalized Valuation. Equalized Valuations are used to calculate the tax rate of each county and the tax rate of each municipality within each county.

The formulas used for the calculation of each county's tax are as follows:

$$\text{County Tax Rate} = \left[\frac{E_c}{E_s} \right] * 1000$$

$$\text{Municipality's Share of Tax Rate} = \left[\frac{E_m}{E_c} \right] * TR_c$$

$$\text{County Tax} = \left[\frac{TR_m}{TR_c} \right] * A_c$$

E_c = Equalized Valuation of the county

E_s = Equalized Valuation of the state

TR_c = Tax Rate of the county

E_m = Equalized Valuation of the municipality

A_c = Total assessment for the county

TR_m = Tax rate of the municipality

ADMINISTRATION: Local treasurers are assessed directly by county treasurers. The County Commissioners are responsible for determining the assessments.

PAYMENT SCHEDULE: Semiannual, November and May.

TITLE: SUPERVISION OF RETIREMENT SYSTEMS

MUNICIPAL ASSESSMENT ITEM NUMBER: B-1

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 32, S. 21 (2)

AGENCY: Public Employee Retirement Administration

AMOUNT: Total: $937,382

PURPOSE: To assess municipalities for the costs of state supervision of municipal retirement systems to ensure compliance with state regulations.

CHARGE FORMULA: The total amount expended for supervision of municipal retirement systems by the Public Employee Retirement Administration is apportioned to those governmental units operating a retirement system in proportion to the amount disbursed from each system to retirees.

ADMINISTRATION: Assessments are determined by the Public Employee Retirement Administration. Audits are completed every three years; the costs of an audit are included in the assessment to municipalities.

ASSESSMENT SCHEDULE: Quarterly.

TITLE: MOTOR VEHICLE EXCISES

MUNICIPAL ASSESSMENT ITEM NUMBER: B-2

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 727, Acts of 1962

AGENCY: Registry of Motor Vehicles

AMOUNT: Total: $535,398

PURPOSE: To reimburse the state for a portion of the costs incurred by the Registry of Motor Vehicles in the preparation of annual Motor Vehicle Excise tax bills. Charges are not assessed to municipalities that print their own bills.

CHARGE FORMULA: Each municipality is assessed a charge of $.15 per tax bill printed by the Registry on behalf of the municipality. Municipalities are credited for incorrectly printed bills. Charges reflect bills from a prior calendar year. FY92 charges reflect bills printed by the Registry during late 1989 and most of 1990.

ADMINISTRATION: Each municipality's charge is determined by the Division of Local Services upon certification by the Registry of Motor Vehicles.

ASSESSMENT SCHEDULE: Quarterly.

TITLE: RETIRED EMPLOYEES HEALTH INSURANCE

MUNICIPAL ASSESSMENT ITEM NUMBER: B-3

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 32A, S. 10B (c)

AGENCY: Group Insurance Commission

AMOUNT: Total: $2,908,187

PURPOSE: To reimburse the state for the costs of providing a health insurance plan for governmental retirees who were pensioned prior to the implementation of Ch. 32B by their local governmental unit. Chapter 32B enabled municipalities to establish a mechanism for group insurance for retirees.

ASSESSMENT FORMULA: Each participating municipality is assessed for the governmental share of health insurance premiums paid on behalf of its retirees by the state. The state pays 90% of the total premium; the retiree's copayment is 10% of the total premium as well as full payment for catastrophic illness coverage. A proportionate share of administrative expenses is also assessed to each municipality.

ADMINISTRATION: The Group Insurance Commission pays health and life insurance premiums on behalf of local government retirees. Local governments are assessed for the payments made on behalf of their retirees. A retiree's copayment is subtracted from his or her pension payment.

ASSESSMENT SCHEDULE: Quarterly.

TITLE: RETIRED TEACHERS HEALTH INSURANCE

MUNICIPAL ASSESSMENT ITEM NUMBER: B-4

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 32A, S. 12

AGENCY: Group Insurance Commission

AMOUNT: Total: $14,298,116

PURPOSE: To reimburse the state for the costs of providing a life and health insurance plan for retired municipal teachers.

ASSESSMENT FORMULA: Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on behalf of its teacher retirees by the state. The state pays 90% of the total premium; the retiree's copayment is 10% of the total premium as well as full payment for catastrophic illness coverage. A proportionate share of administrative expenses is also assessed to each municipality.

ADMINISTRATION: The Group Insurance Commission pays health and life insurance premiums on behalf of local teacher retirees. Local governments are assessed for the payments made on behalf of their teacher retirees. A retiree's copayment is subtracted from his or her pension payment.

ASSESSMENT SCHEDULE: Quarterly.

TITLE: MOSQUITO CONTROL PROJECTS

MUNICIPAL ASSESSMENT ITEM NUMBER: B-5

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 252, S. 5A
Ch. 2, S. 41, Acts of 1986

AGENCY: State Reclamation Board

AMOUNT: Total: $3,317,948

PURPOSE: To assess municipalities for the costs of mosquito control services.

ASSESSMENT FORMULA: There are eight mosquito control districts whose costs are apportioned to member municipalities on the Cherry Sheet. Each district relies on a separate formula to apportion its assessment to its member municipalities. All formulas are based on Equalized Valuation; five of the districts' formulas also use land area as a component.

ADMINISTRATION: The total assessment cannot increase by more than 2½% of the prior year's actual assessment. The State Reclamation Board determines total district assessments and the share of assessments paid by member municipalities of districts. Assessments also include each member municipality's share of the Reclamation Board's administrative costs for the program.

ASSESSMENT SCHEDULE: Quarterly.

TITLE: AIR POLLUTION DISTRICTS

MUNICIPAL ASSESSMENT ITEM NUMBER: B-6

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 111, S. 142B & 142C
Ch. 676, S.1, Acts of 1960

AGENCY: Department of Environmental Protection

AMOUNT: Total: $1,209,345

PURPOSE: To assess municipalities for a portion of the costs incurred by the Department of Environmental Protection in monitoring air pollution levels and enforcing air quality standards at industrial, commercial, and institutional facilities.

ASSESSMENT FORMULA: Each municipality's assessment is determined through the following formula which is based on relative population and Equalized Valuation:

$$\text{Municipality's Assessment} = \left[\left[\frac{P_m}{P_s} * .50\right] + \left[\frac{E_m}{E_s} * .50\right]\right] * A_s$$

P_m = Population of the municipality

P_s = Population of the state

E_m = Equalized Valuation of the municipality

E_s = Equalized Valuation of the state

A_s = Total state assessment

ADMINISTRATION: The total assessment cannot increase by more than 2½% of the prior year's actual assessment. The Department of Environmental Protection determines the total amount of the assessment and calculates each municipality's assessment by using the formula indicated.

ASSESSMENT SCHEDULE: Quarterly.

TITLE: METROPOLITAN AREA PLANNING COUNCIL

MUNICIPAL ASSESSMENT ITEM NUMBER: B-7

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 40B, S. 26 & 29
Ch. 476, Acts of 1974

AGENCY: Metropolitan Area Planning Council

AMOUNT: Total: $591,327

PURPOSE: To assess municipalities in order to finance a Metropolitan Boston area planning district to promote urban planning and respond to the common urban problems of Boston and outlying municipalities.

ASSESSMENT FORMULA: Each municipality's assessment is determined through the following formula which is based on relative population:

$$\text{Municipality's Assessment} = \left[\frac{P_m}{P_d} \right] * A_d$$

P_m = Population of the municipality

P_d = Population of the district

A_d = Total Metropolitan Area Planning Council assessment

ADMINISTRATION: The total assessment cannot increase by more than 2½% of the prior year's actual assessment. The Metropolitan Area Planning Council calculates each municipality's assessment by using the formula indicated.

ASSESSMENT SCHEDULE: Quarterly.

TITLE: OLD COLONY PLANNING COUNCIL

MUNICIPAL ASSESSMENT ITEM NUMBER: B-8

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 332, Acts of 1967

AGENCY: Old Colony Planning Council

AMOUNT: Total: $65,874

PURPOSE: To assess municipalities in order to finance a regional planning body for the Brockton Metropolitan area to promote social and economic improvement.

ASSESSMENT FORMULA: Each municipality's assessment is determined through the following formula which is based on relative population:

$$\text{Municipality's Assessment} = \left[\frac{P_m}{P_d} \right] * A_d$$

P_d = Population of the district

P_m = Population of the municipality

A_d = Total Old Colony Planning Council assessment

ADMINISTRATION: The total assessment cannot increase by more than 2½% of the prior year's actual assessment. The Old Colony Planning Council calculates each municipality's assessment by using the formula indicated.

ASSESSMENT SCHEDULE: Quarterly.

TITLE: PARKING SURCHARGE

MUNICIPAL ASSESSMENT ITEM NUMBER: B-9

LAW(S) CREATING/MODIFYING PROGRAM:	Ch. 90, S. 20 & 20½
AGENCY:	Registry of Motor Vehicles
AMOUNT:	Total: $3,764,240 (The Parking Surcharge always appears in Column 2 Prior Year Under estimates to be Raised)

PURPOSE: To reimburse the Registry of Motor Vehicles by assessing a $10 surcharge on parking violators when the municipality in which the violation occurred has asked the Registry to withhold license or registration renewal due to non-payment of parking fines.

CHARGE FORMULA: The Registry of Motor Vehicles charges each participating municipality $10 per violation when the municipality collects the parking fee. FY92 assessments are based upon surcharges that occurred during FY91.

ADMINISTRATION: The municipality collects a $10 surcharge per violation from individual parking violators. This enables the municipality to offset the $10 charge per violation assessed by the Registry of Motor Vehicles. Because there is no sound basis for estimating an upcoming year's violations, the Cherry Sheet estimate is always zero. Actual assessments appear as underestimates on the subsequent year's Cherry Sheet.

ASSESSMENT SCHEDULE: Quarterly.

TITLE: MASSACHUSETTS BAY TRANSPORTATION AUTHORITY (MBTA)

MUNICIPAL ASSESSMENT ITEM NUMBER: C-1

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 161A, SS. 8 & 9
Ch. 825, SS. 6 & 7, Acts of 1974

AGENCY: Massachusetts Bay Transportation Authority

AMOUNT: Total: $118,641,982

PURPOSE: To assess municipalities for a regional public transit system for the Metropolitan Boston area.

ASSESSMENT FORMULA: The MBTA is composed of 78 municipalities: 14 municipalities that originally were part of the Boston Metropolitan Transit District and 64 additional municipalities.

MBTA municipalities are assessed for the net cost of MBTA service. The net cost of service is the difference between annual income received and annual expenses incurred by the MBTA.

Each municipality's total MBTA assessment is the sum of its share of the following:

Express Service + Local Service + Interest Charged by the State Treasurer

ADMINISTRATION: The total annual MBTA assessment cannot increase by more than 2½% of the prior year's actual assessment unless new or expanded service has been documented. The MBTA is required by law to notify the Treasurer of the amount of the Net Assessable Cost of Service to be assessed to the municipalities within the district. The Statement of Facts is the official document for assessment purposes and is formally approved and certified by the MBTA Board of Directors.

An assessment for a given fiscal year is based on the net cost of service for the calendar year that ended six months prior to the beginning of that fiscal year. FY92 assessments are thus based on the net cost of service in FY90.

ASSESSMENT SCHEDULE: Quarterly.

TITLE: BOSTON METROPOLITAN TRANSIT DISTRICT

MUNICIPAL ASSESSMENT ITEM NUMBER: C-2

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 383, S. 12, Acts of 1929
Ch. 535, Acts of 1954

AGENCY: Boston Metropolitan District Commission

AMOUNT: Total: $25,000

PURPOSE: To assess municipalities for the administrative costs and charges incurred by the Metropolitan Transit District.

ASSESSMENT FORMULA: As the predecessor to the MBTA, the Boston Metropolitan District is made up of the 14 original MBTA municipalities: Arlington, Belmont, Boston, Brookline, Cambridge, Chelsea, Everett, Malden, Medford, Milton, Newton, Revere, Somerville, and Watertown.

The assessment pays for administrative costs and charges incurred by the District. The total assessment is assessed to member municipalities in proportion to their share of the District's total Equalized Valuation.

ADMINISTRATION: The total assessment cannot increase by more than 2½% of the prior year's actual assessment. The District is no longer active; it exists only to administer outstanding debt issued prior to the formation of the MBTA. The MBTA pays for the District's debt service costs. When the debt is retired, the District will cease to exist, and the District assessment will no longer be a Cherry Sheet assessment item.

ASSESSMENT SCHEDULE: Quarterly.

TITLE: REGIONAL TRANSIT AUTHORITIES

MUNICIPAL ASSESSMENT ITEM NUMBER: C-3

LAW(S) CREATING/MODIFYING PROGRAM:	Ch. 161B, SS. 9, 10, & 23 Ch. 1141, Acts of 1973
AGENCY:	Division of Local Services, Department of Revenue Executive Office of Transportation and Construction
AMOUNT:	Total: $11,872,694

PURPOSE: To assess municipalities in order to provide for a system of regional transportation authorities to develop, finance, and contract for the operation of transportation facilities and service outside the Metropolitan Boston area.

ASSESSMENT FORMULA: Between 25% and 50% of the total net cost of service of each regional transit authority is assessed to its member municipalities in proportion to the estimated cost of operating routes through those municipalities. Net cost is the difference between the revenues collected from and the cost of operation of such routes. Revenue sources include fares, advertising, and federal and state operating assistance. The amount that remains to be raised is divided between municipalities and the state through contract assistance.

ADMINISTRATION: The total assessment of each regional transit authority cannot exceed 2½% of the prior year's assessment unless expanded service is documented and the increase is approved by the Division of Local Services and the Executive Office of Transportation and Construction. Assessments represent the local share of the net cost of service for the previous fiscal year. Thus FY92 assessments are based on FY91 costs.

ASSESSMENT SCHEDULE: Quarterly.

TITLE: MULTI-YEAR REPAYMENT PROGRAM

MUNICIPAL ASSESSMENT ITEM NUMBER: D-1

LAW(S) CREATING/MODIFYING PROGRAM:	Ch. 147, Acts of 1986 Ch. 433, Acts of 1987 Ch. 139, Acts of 1988 Ch. 8, Acts of 1985 Ch. 675, Acts of 1986 Ch. 248, Acts of 1984 Ch. 311, Acts of 1982
AGENCY:	Division of Local Services, Department of Revenue
AMOUNT:	Total: $1,546,558

PURPOSE: To reimburse the state for loans made to municipalities.

CHARGE FORMULA: The amount and number of loan repayments are fixed in legislation or through agreements between state agencies and the municipality.

ADMINISTRATION: Repayments are certified to the Treasurer by the Division of Local Services.

ASSESSMENT SCHEDULE: Repayments will be deducted from the first quarterly local aid distribution.

TITLE: SPECIAL EDUCATION ASSESSMENT

MUNICIPAL ASSESSMENT ITEM NUMBER: D-2

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 71B, SS. 10 & 12
Ch. 766, Acts of 1972

AGENCY: Department of Education

AMOUNT: Total: $2,209,095

PURPOSE: To reimburse the state for providing special needs education to children enrolled in (1) state hospital schools or (2) private institutions, whose placements were made before 1975.

CHARGE FORMULA: The cost that each municipality is charged is the average per pupil cost of education within the school district multiplied by the Full Time Equivalent of resident pupils served by the state. FY92 charges are for pupils served in the 1990-1991 school year.

ADMINISTRATION: The Department of Education determines a per pupil cost for each school system based on enrollments and costs in the prior school year. The Department of Education certifies charges to the Division of Local Services.

ASSESSMENT SCHEDULE: Charges will be deducted from the fourth quarterly local aid distribution.

TITLE: ENERGY CONSERVATION PROGRAMS REPAYMENT

MUNICIPAL ASSESSMENT ITEM NUMBER: D-3

REGIONAL ASSESSMENT ITEM NUMBER: 11A

LAW(S) CREATING/MODIFYING PROGRAM: Ch. 700, Acts of 1983

AGENCY: Division of Local Services, Department of Revenue

Division of Energy Resources, Executive Office of Consumer Affairs and Business Regulation

AMOUNT:

Total:	$714,333
All Municipal:	$573,750
All Regional:	$140,583

PURPOSE: To reimburse the state for a portion of grants made to encourage municipalities and regional school districts to implement energy conservation programs in public buildings.

ASSESSMENT FORMULA: The state finances 100% of the cost of these energy conservation programs, making the full payment when the grant is approved by the Division of Energy Resources. Participating municipalities and regional school districts must repay 30% of the total amount advanced by the state over an agreed upon period. Annual payments are fixed when the grant is approved and no interest is charged.

ADMINISTRATION: Municipalities and regional school districts apply to the Division of Energy Resources for these grants. The 30% repayment must be paid within ten years of the date of the agreement. Repayments do not begin until the second fiscal year after grant approval. The Division of Energy Resources certifies the assessments to the Division of Local Services.

ASSESSMENT SCHEDULE: Repayments will be deducted from the second quarterly local aid distribution.

TITLE: SMALL TOWN ROAD ASSISTANCE PROGRAM REPAYMENTS (STRAP)

MUNICIPAL ASSESSMENT ITEM NUMBER: D-4

LAW(S) CREATING/MODIFYING PROGRAM: S. 32, Ch. 637, Acts of 1983
Ch. 811, Acts of 1985
Ch. 15, Acts of 1988

AGENCY: Department of Public Works

AMOUNT: Total: $211,108

PURPOSE: To reimburse the state for a portion of road assistance program grants made to municipalities with populations of fewer than 2,500 for capital construction projects promoting public safety and economic development.

This is not an active grant program at this time.

CHARGE FORMULA: The state finances 100% of the cost of these road assistance programs in advance. Participating municipalities must repay 30% of the total state grant over a ten year period. Grants cannot exceed $200,000. Payments are fixed at the time the grant agreement is finalized and no interest is charged.

ADMINISTRATION: Municipalities must apply to the Department of Public Works. Selection of grant recipients is based upon the urgency of each project for public safety purposes and the importance to local economic development. The 30% repayment must be within ten years of the date of the agreement. The Department of Public Works certifies the charges to the Division of Local Services.

ASSESSMENT SCHEDULE: Repayments will be deducted from the third quarterly local aid distribution.

TITLE: SOLID WASTE CLEAN-UP

MUNICIPAL ASSESSMENT ITEM NUMBER: D-5

LAW(S) CREATING/MODIFYING PROGRAM: S. 37, Ch. 148

AGENCY: Department of Public Works

AMOUNT: THIS PROGRAM WAS NOT ASSESSED IN FY92.

PURPOSE: To reimburse the state for a portion of grants made to municipalities to replace underground fuel storage tanks over 20 years old that are owned or maintained by the municipality.